

Legislative Presentation 2004

Utah Department of Workforce Services

jobs.utah.gov

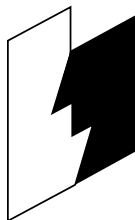


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Survey
results
indicate
customers
like the
system
much better
than before
consolidation.

Introduction

The Department of Workforce Services (DWS) is "Utah's Job Connection." DWS is the product of Utah's bold vision for the future of quality workforce development. It is a consolidation of all employment related functions into a comprehensive service delivery system. Now job seeker and employer customers can access the services they need without the confusion and burden of working with multiple agencies. States are experimenting with coordination or consolidation of workforce development services on different levels, but Utah has completely integrated its system. DWS is recognized as a national leader for this integration and innovation and has received several honors including the prestigious National Alliance of Business "State of the Year" award in 1996.

DWS is about customer choice, service, and performance. Utah was the first state to consolidate employment and welfare programs and to establish a statewide system of "one-stop" Employment Centers. Here, customers can easily access the services they need in an environment that is matched for look and feel from office to office. All Employment Centers offer the same array of services, which makes them the connecting point for employers and job seekers. And, these nearly 50 offices are strategically located throughout the state.

Utah's Job Connection is electronic, too. DWS exploits improvements in technology to deliver services at the speed of light. The Web site, jobs.utah.gov, provides 24/7 access to employment services, public information, links to employers' sites and related search engines, labor market information, Unemployment Insurance (UI) and more. In 1997, DWS centralized all UI claims services into one state-of-the-art call center that saves taxpayers time and money. Employers can now transmit hiring, wage, and tax information electronically and via the Web. And, more enhancements are always underway.

What do customers say? Every year, DWS surveys its job seeker and employer customers, as well as the DWS staff who make all this happen. The results show that customers like the system much better than before consolidation. In fact, each year the indicators of satisfaction increase and support the idea that Utah's Job Connection is a success according to the most important group of all, the customers!

History

The 1996 Utah Legislature passed House Bill 375, which consolidated all employment, job training, and welfare functions in the state and created the Department of Workforce Services (DWS). But the origins of this innovation stretch back further. In a 1992 audit report, the Utah Legislative Auditor General observed that employment and training services in Utah were “fragmented among 23 separate state and federal programs administered by six different state agencies.”

The Auditor General recommended that the state develop a streamlined service delivery system that is more focused on customers than bureaucratic rules and policies. In response to that recommendation, Governor Michael Leavitt formed a taskforce in 1994 to consider ways to create a more unified employment and job training system. That taskforce, chaired by the Lt. Governor, met for 18 months and established the guiding principles that would lead to the creation of DWS. These required that:

- The system be customer-driven
- The system measure results and be accountable throughout
- The new department simplify governance and operation of programs
- The system be state-based with local input on design and delivery
- Private sector leadership and direct involvement at all levels be promoted
- Continuous improvement is critical
- Training and education be market-driven
- Funding levels will be commensurate with need

The agencies subsumed under DWS on July 1, 1997 were:

- The Department of Employment Security (or “Job Service”) which administered Unemployment Insurance (UI), employment services, and labor market information.
- The Office of Family Support which administered public assistance programs such as the Family Employment Program (FEP), food stamps, and subsidized child care.
- The Office of Job Training which coordinated job training programs including the Job Training Partnership Act (JTPA).
- The Office of Child Care which was created to assure quality child care is available to those who need it.
- The Turning Point Program which served displaced homemakers with educational opportunities and other employment related services.

There are 38 convenient locations throughout Utah serving both employers and job seekers. In addition, jobs.utah.gov provides information and services 24 hours a day, seven days a week.

The foundation of DWS is its system of “one-stop” Employment Centers where customers can access all workforce development services under one roof. Utah was awarded a One-Stop Implementation Grant by the U.S. Department of Labor in 1996. This funding, along with other state initiatives already underway, provided critical resources for the creation of this system. Statewide, DWS now operates about 50 facilities, 38 of which are Employment Centers (originally, DWS inherited 106 buildings). At the same time, DWS created the UI Claims Center. This call center allows customers to file UI claims at their own convenience. A claims process that usually took an hour or more and required an office visit was reduced to just minutes over the telephone.

The national environment of workforce development has evolved substantially since the creation of DWS. Changes to federal programs included the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which overhauled the national welfare system, and the 1998 Workforce Investment Act (WIA), which replaced and substantially expanded the scope of the Job Training Partnership Act (JTPA).

DWS owes the Utah Legislature a debt of gratitude for having the foresight to acknowledge that massive changes were needed in Utah’s employment, training, and welfare programs. That sagacity paved the way for Utah to become a national leader.

DWS underwent a tremendous metamorphosis during its first three years. In addition to consolidating five separate agencies and their various programs, DWS implemented the many changes required under PRWORA and was one of only nine states to implement the federal WIA a year ahead of the July 2000 deadline.

Continuous improvement is a must for DWS. Efforts are ongoing to align planning with key business processes and outcome measures, for organizational self-assessment, for customer service improvements, and for better and faster access to services, whether real or virtual.

Governance Structure

The State and Regional Councils on Workforce Services were created with Governor Leavitt’s signing of H.B. 375 in 1996. Their creation reflects the nexus of a number of important and emerging economic and social dynamics, including:

- The restructuring of global, national, regional, and local economies;
- The acknowledgment of the intricate link between economic development and workforce development;
- The recognition that workforce development is a community responsibility;
- The impetus of federal and state funding and programs focusing private and public sector attention on the readiness of workers and the institutions that prepare them for future labor market demands;
- The potential of business-led, volunteer boards to positively impact workforce development;
- The capacity of workforce development professionals to collaborate with workforce boards in designing and delivering customer-focused, performance-driven workforce services.

The important role of the State and Regional Councils is essential to the success of the mission of the Department of Workforce Services. Consequently, their duties and place in the system of workforce development in Utah were carefully defined by the Legislature and the Governor.

State Council on Workforce Services

The duties of the State Council on Workforce Services are outlined in the Workforce Services Code, Title 35A, Chapter 1, Section 206. A summary of the responsibilities are as follows:

- Develop a state workforce services plan.
- Review regional workforce services plans to certify consistency with state policy guidelines.
- Work cooperatively with regional councils on workforce services to oversee regional workforce services area operations and to ensure that services are being delivered in accordance with regional workforce services plans.
- Oversee the department's provision of technical assistance to the regional workforce services areas.
- Evaluate program performance, customer satisfaction, and other indicators to identify program strengths and weaknesses.
- Develop plans to improve program outcomes.
- Improve the understanding and visibility of state workforce services efforts through external and internal marketing strategies.
- Make an annual report of accomplishments to the Governor and the Legislature related to the activities of the department.
- Issue other studies, reports, or documents the council considers advisable.

The State and Regional Councils are very active and have successfully established themselves as the focal points for workforce development in their communities.

- Coordinate the planning and delivery of workforce development services with public education, higher education, vocational rehabilitation, and human services.

In 1999, Governor Leavitt certified the State Council as Utah's State Workforce Investment Board (SWIB), effectively establishing it as the workforce governing board for all state and federal workforce development activities. Meanwhile, the State Council added a youth services oversight component, the State Youth Council, to ensure youth access to this workforce development system.

Regional Councils

A fundamental principle of DWS is that services will be delivered in a locally responsive manner while maintaining a statewide focus. Utah is a very diverse state with drastic differences in the needs of customers from community to community. Yet, service integrity relies on customers receiving equitable treatment in all areas of the state. Therefore, the purpose of the Regional Workforce Service Council is to:

- Determine the locations of employment centers;
- Develop a regional workforce services plan;
- Develop training priorities for the region;
- Work cooperatively with the State Council on Workforce Services;
- Jointly with the Executive Director appoint the regional workforce services area directors;
- Coordinate the planning and delivery of workforce development services with public education, higher education, vocational rehabilitation, and human services. The Utah Association of Counties and the DWS' Executive Director agreed that the most efficient administrative structure was an incorporation of five geographic regions and eight planning regions. These are:

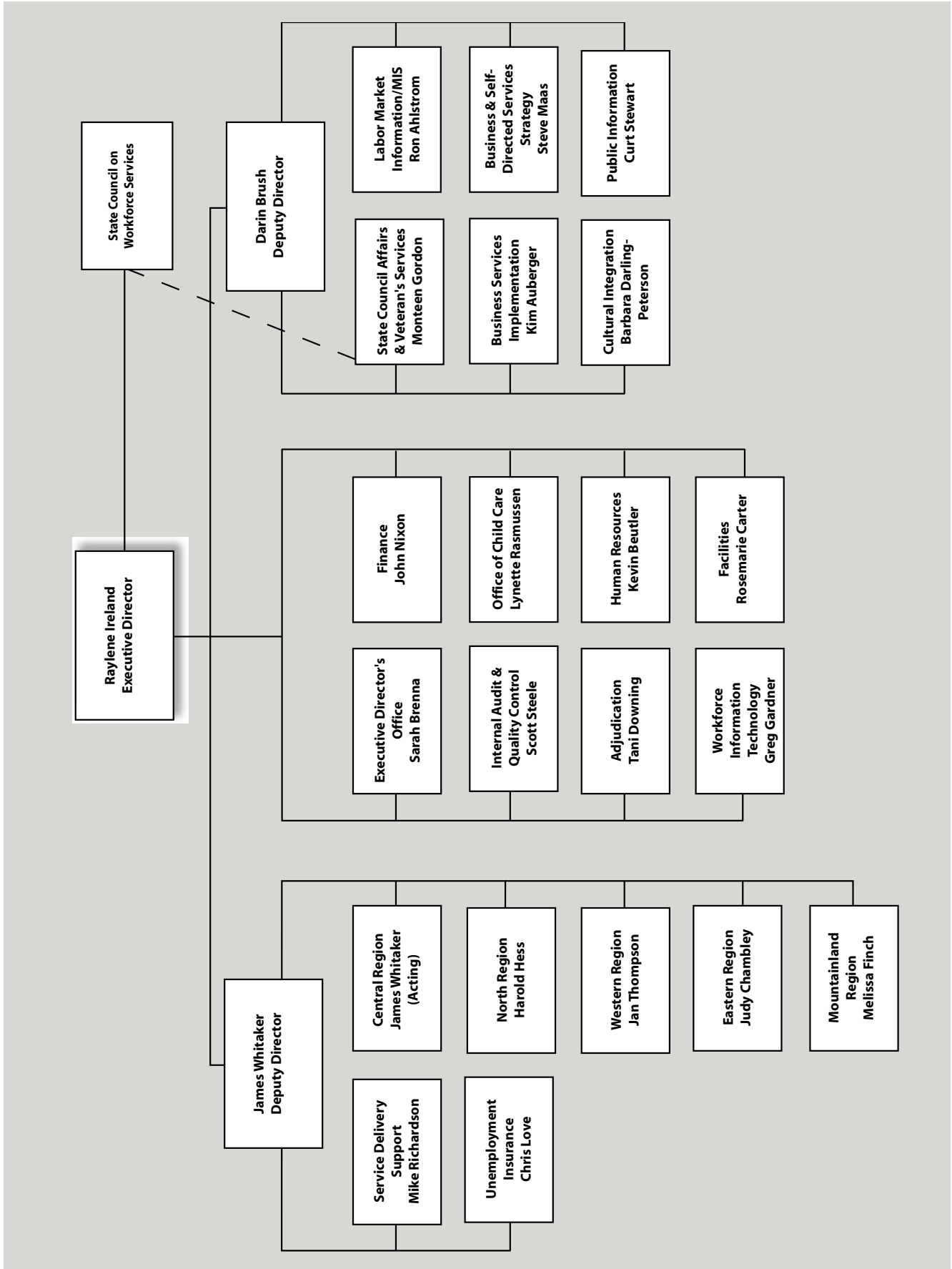
1 North Region: Bear River Planning Region (Box Elder, Cache and Rich counties), and Three County Planning Region (Weber, Davis and Morgan counties)

2 Central Region: Salt Lake and Tooele counties

3 Mountainland Region: Utah, Summit and Wasatch counties

4 Eastern Region: Uintah Basin Planning Region (Duchesne, Uintah and Daggett counties) and Four Corners Planning Region (Carbon, Emery, Grand and San Juan counties)

Department of Workforce Services Org Chart
December 2003



Granite
School
District was
selected for
the Cultural
Integration
Grant which
will provide
assistance with
workplace
diversity
and cultural
integration
for ten Utah
companies.

5 Western Region: Six County Planning Region (Juab, Millard, Beaver, Sanpete, Wayne and Sevier counties) and Five County Planning Region (Iron, Washington, Piute, Garfield and Kane counties)

The State and Regional Councils are very active and have successfully established themselves as the focal points for workforce development in their communities. They oversee a system unlike any in the nation and broker support for Utah's workforce initiatives.

Core Services

jobs.utah.gov

jobs.utah.gov, perhaps the most sophisticated, public system of its kind on the World Wide Web, allows job seekers and employers to instantly find each other. Job seekers have the ability to create a personalized "electronic résumé" that can be searched by employers. Employers can enter their own job listings and search for qualified applicants. jobs.utah.gov is the platform for bringing together qualified job seekers and hiring employers for their mutual benefit and the economic prosperity of the state. jobs.utah.gov is the portal through which any job seeker or any business can access:

- Information on over 10,000 jobs
- Résumés representing over 65,000 job seekers
- Unemployment Insurance (UI) benefits
- Current labor market information
- Child care resource and referral information
- Information on food or financial support
- UI contributions
- New hire reporting
- America's Job Bank and career kit
- Links to other helpful sites

Business Services

Employers are critical to the success of the Department of Workforce Services (DWS). DWS, and its predecessors, have been in the business of connecting business with solutions for more than 60 years. DWS' unique business services include:

- Hiring and Information Solutions: DWS can help businesses find the people they need to grow, and furnish labor market information for solid business decisions.

- Consultative Solutions: DWS connects businesses with a limitless number of solutions that enhance businesses' workforce and grow business.
- Downsizing Solutions: DWS eases the transition for businesses and employees in the event of a reduction in workforce.

Job Seeker Services

Job seeker customers are the other side of the employment exchange equation. Services DWS offers them include:

- Electronic access to jobs.utah.gov, America's Job Bank, career exploration tools, résumé preparation software, labor market information, etc.
- Job search assistance
- Job skills workshops
- Skills testing
- Career counseling
- Vocational assessment
- Job training
- Veterans' services

Training

Besides on-the-job training reimbursement DWS offers for qualified new hires, DWS has specialized in providing Workforce Investment Act (WIA) training to job-seeker customers. WIA significantly impacted the role of workforce services agencies by requiring they provide employment and training services to the "universal customer" rather than to income-eligible participants. As a result, the customer base to be served has expanded significantly. Under WIA, DWS must provide at least three levels of employment and training services—core, intensive and training.

Once customers are assessed as needing occupational or skills training, one or more of the following options may be available, based on eligibility:

- WIA Adult training services
- WIA Youth training services
- WIA Dislocated Worker training services
- On-the-job training
- North American Free Trade Act assistance/Trade Act assistance
- Temporary Assistance for Needy Families funded training services
- Displaced homemaker services

Recent research shows that, despite some weaknesses in WIA and limited fiscal resources, DWS has done a good job of providing career preparation

Three levels of employment and training including core, intensive, and training, with an emphasis on youth, are provided to everyone.

*P*urposes of Temporary Assistance for Needy Families (TANF):

- Provide assistance to needy families so children can remain in their own homes or in the home of a relative
- End dependence of needy families on government benefits by promoting job preparation, work and marriage
- Prevent and reduce the incidence of out of wedlock births
- Encourage the formation and maintenance of two parent families

and career ladder development services and training to customers through co-enrollments among multiple programs and other administrative devices.

Supportive Services

Financial Assistance

Utah's innovative welfare reform effort began in January 1993 as the Single Parent Employment Demonstration Program (SPED). The mission of the SPED program was to increase income through earnings and child support. The SPED program was philosophically different from the Aid to Families with Dependent Children (AFDC) JOBS program in its focus on "self-sufficiency" before eligibility determination (entitlement), diversion, and universal participation in activities leading to employment.

SPED simplified eligibility and rewarded participation. Utah was the first state to obtain a waiver from the federal government for full-family closure for non-participation. In order to obtain this waiver, Utah agreed to implement a conciliation process and provide in-house social work services. The SPED pilot offices were so successful in moving clients into employment that the program was implemented statewide as the Family Employment Program (FEP) in 1996. This was before the advent of federal welfare reform with the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in August 1996.

The PRWORA law overhauled the federal welfare system with the principal intent of ending adult dependency on public assistance. The law placed a heavy emphasis on employment, mandated lifetime limits on assistance, and holds states accountable to minimum work participation rates for families receiving assistance funded by the Temporary Assistance for Needy Families (TANF) block grant.

Who Qualifies for FEP?

Generally, to be eligible for financial assistance under the FEP (single or two-parent) a household unit must include:

- A pregnant woman in the third calendar trimester
- At least one minor dependent child who is a citizen or meets the alien age criteria
- A minor child defined as being under the age of 18 years and not emancipated by marriage or by court order

Households must meet other eligibility requirements (income, assets, and participation); persons who are fleeing to avoid prosecution of a felony are ineligible for financial assistance.

Utah Has a 36-Month Lifetime Limit On Financial Assistance

When Utah implemented FEP it also adopted a 36-month lifetime limit on financial assistance. This 36-month lifetime limit began in January 1997, at which time Utah had a caseload of 12,295 families receiving financial assistance. Families receiving assistance then, who did not move away from assistance, reached their lifetime limits on December 31, 1999. There were 403 families in Utah who reached that 36-month limit and 143 families whose financial assistance cases were actually closed due to lifetime limits. Customers who reach their lifetime limits often continue to qualify for and receive Food Stamps, Medicaid, training, child care, and/or all employment connection services provided through DWS. Currently, an average of 40 families reach the 36-month threshold each month in Utah.

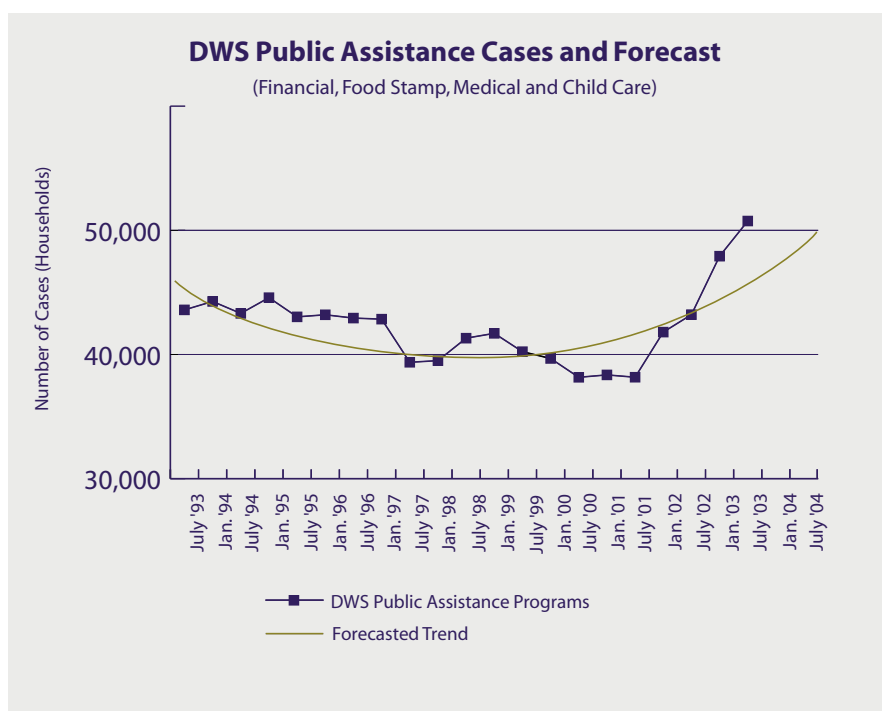
Law allows DWS to extend up to 20 percent of its annual financial assistance caseload past the 36-month lifetime limit for specific reasons. The extension criteria include:

- Parents who are medically (physically or mentally, including substance abusers) unable to work
- Households that include a family member who is a current victim of domestic violence
- Parents under age 19
- Parents who are required to be at home to meet the medical needs (physical or mental, including substance abuse) of a dependent
- Parents who were unable to complete a program of education or training within the 36 months through no fault of their own

September
2003:

• Governor
Leavitt
proclaims
September as
Workforce
Services
Month

• Workforce
Summit
held for
employers,
job seekers
and youth



PRWORA
radically
changed
the old
“entitlement”
system by
emphasizing
self-sufficiency,
universal
participation,
employment
support and
simplification
of rules.

- Through no fault of the parents, there was a delay on the part of DWS in the delivery of services that prevented the parents from obtaining employment
- Parents who moved to Utah after exhausting 36 months in another state and did not receive PRWORA mandated services in that state
- Parents who completed education or training at the 36th month and need additional time to find employment

In addition, any parent who is employed for not less than 80 hours per month is rolled over past the 36-month lifetime limit on a month-by-month basis, as long as s/he remains employed, for up to 24 months. The employment rollover does not count in the 20 percent extension cap.

In Utah, families with incomes no more than 200 percent of the poverty level are eligible to receive a range of services, such as employment and training, child care, transportation, education, and family and parental training.

Utah also offers a diversion program that provides short-term assistance to eligible families in need and expanded its earning “disregard” policies, which means that families can keep more FEP benefits even if they have more earned income, removing one of the many disincentives to work in the former AFDC program.

Food Stamps

The purpose of the Food Stamp Program is to end hunger and improve nutrition and health. It helps low-income households buy the food they need for a nutritionally adequate diet.

The Food Stamp Program is the nation’s most important program in the fight against hunger because of the basic protection it provides persons of all ages and household status. Food stamps are designed to improve the nutrition of people with low incomes by providing benefits to cover part of their household’s food budget. The Department of Workforce Services (DWS) administers the Food Stamp Program in Utah. The federal government pays the full cost of food stamp benefits and half of the program’s administrative costs.

Households are issued a monthly allotment of food stamps based on the size and income level of the household. The maximum allotment is based on the “Thrifty Food Plan” designed by the United States Department of Agriculture (USDA). To be eligible for food stamps, a household must meet

certain eligibility standards. A few of them are mentioned below:

- Households must meet certain income and resource standards
- Able bodied adults must look for work or participate in an employment or training program
- Citizens and certain non-citizens may be eligible
- Eligible non-citizens include refugees, asylees, battered aliens and deportees
- Lawful permanent residents that have lived in the United States for at least five years

The amount of benefits an eligible household receives depends on the number of people in the household and the amount of income the household has. For example, a household of three people with no income can receive up to \$371 a month in benefits. Households with income are expected to use about 30 percent of their own money for food. The average monthly amount of benefits in 2002 was about \$72 a person and \$178 per household. In Utah, benefits are issued to households via electronic benefits transfer onto the Utah Horizon Card that is used like a debit card in approved stores.

Nutrition

Another goal of the Food Stamp Program is to provide educational programs that help food stamp recipients make healthy food choices within a limited budget.

Nutrition Education Programs are provided through Utah State University Extension offices throughout the state and offer services such as accurate nutritional information, food budgeting, food preparation skills, providing adequate diets to infants and children, and gardening and food preservation.

Unemployment Insurance

Since 1936, the Utah Unemployment Insurance (UI) program has provided temporary economic assistance to eligible workers. The UI program provides economic stability to Utah's workers, families, and communities.

The UI program is operated on general insurance principles, with employers paying contributions to fund UI benefits. All receipts from the employer taxes are deposited with the U.S. Treasury into Utah's Unemployment Compensation Fund and are used exclusively to pay benefits.

Utah was one of two states to quickly develop a system to administer the Health Coverage Tax Credit to help lower the cost of health insurance to eligible workers.

unemployment insurance:

- Lessens the burden of unemployment
- Maintains worker purchasing power
- Prevents the spread of Unemployment
- Retains skilled workers.

Benefits

Eligibility for UI benefits is based on wages earned in insured work, not on the unemployed worker's individual need or family financial resources. Claimants must be able and available to accept full-time work, actively seeking full-time work, and unemployed through no fault of their own. Claimants can file an initial claim for benefits over the phone or on the Internet. Each week, the claimant must certify continued program eligibility using the phone or the Internet. The maximum weekly benefit a claimant can receive is \$373 and the maximum duration is 26 weeks depending on wages and qualifications. Some claimants are eligible to file for Temporary Extended Unemployment Compensation (TEUC) and State Benefits (SB) after 26 weeks.

Child Care

The Child Care and Development Fund (CCDF), authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, assists low-income families, families receiving temporary public assistance, and those transitioning from public assistance in obtaining child care so they can work or attend training/education. In Utah, CCDF funding is administered by the Department of Workforce Services' Office of Child Care. In Utah, CCDF funds are primarily spent on two activities:

1. Child care assistance for income eligible families;
- and
2. Quality initiatives for all child care providers.

Payment-to-Parent Assisted Child Care Program

The Payment-to-Parent Assisted Child Care Program provides funding for child care to parents who are employed, or employed and attending school or training, and who meet eligibility requirements.

How Can Parents Qualify?

To qualify for assisted child care, families must have less than \$8,000 in countable assets. Countable assets do not include the house they live in and one vehicle per working adult. Families must also meet income eligibility. Family income must be equal to or below the limit set for their household size. For example, a household size of four would not be able to have a gross income above \$2,672 a month.

Parents may choose a provider that best meets their family's needs. Providers must meet minimum health and safety standards.

The amount of child care subsidy is based on several factors and may not cover the total cost of child care. Parents pay their provider with a

two-party check made out to the parent and the provider or by using a provider's point-of-sale (POS) machine. Parents are responsible to pay the child care provider for all costs incurred. Additional supports are available for children with special needs.

Utah's Quality Initiatives

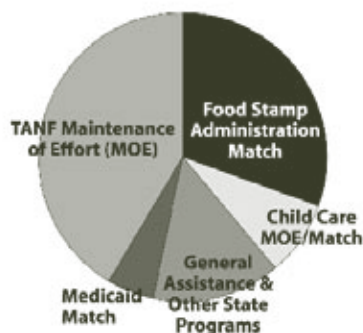
A minimum of 4 percent of CCDF funds must be used to improve the quality of child care. Utah spends approximately 16 percent of its CCDF allocation on quality initiatives such as child care resource and referral services, training and professional development for child care workers, out-of-school time program support, infant/toddler initiatives that increase the availability and quality of infant/toddler care and work/life education for Utah businesses.

Department Budget

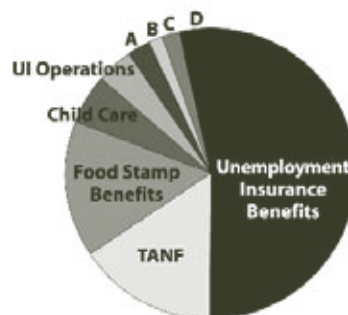
Total Funds FY 2004



State Funds FY 2004



Federal Funds FY 2004



A - Food Stamp Administration
B - Wagner-Peyser
C - Workforce Investment Act
D - Other

When President Bush signed the bill extending UI benefits for 13 weeks for workers who have exhausted their claims, DWS responded immediately.

Top 10 Family-Friendly Utah Companies for 2002:

1. ARUP Laboratories
2. Cottonwood Heights Parks and Recreation Service Area
3. Futura Industries
4. Intermountain Health Care
5. Nicholas & Company
6. Redmond Minerals
7. Regence BlueCross BlueShield of Utah
8. Stampin' Up
9. Sunshine Terrace
10. University of Utah Hospitals & Clinics

Child Care Resource and Referral Services

Utah's child care resource and referral (CCR&R) system provides community-based child care information and referral services. This referral service links parents to providers, employers and communities to child care planning services, and providers to training and technical assistance.

The CCR&R system provides connections to a complex network of family providers, regulators, employers, educators, professional associations, and community service organizations. Parents can call a locally based child care resource and referral agency toll free and receive information to assist them in their search for quality child care.

Training and Professional Development

The goals for the OCC's Training and Professional Development activities are to:

1. Increase the levels of education and experience of early childhood/child care workers
2. Improve school readiness in Utah's children by increasing the levels of training and expertise of early childhood/child care workers

School-Age Programs

Juvenile crime and victimization triple between 3:00 pm and 6:00 pm, the hours after school when many children are unsupervised. As a result, school-age programs are essential to working parents.

DWS contracts with private and public program providers to help operate school-age program sites during the school year and summertime in Utah. The OCC offers training and support to these programs and works to develop awareness and understanding of quality before-and after-school programs.

Infant/Toddler Program Support

Parents face many challenges when looking for available, affordable, and quality infant and toddler child care. To support both families and child care providers, the OCC issues grants to child care providers to increase the availability, affordability and quality of infant/toddler child care.

Work/Life

The OCC's work/life initiatives focus on helping businesses be more successful by creating workplaces that support a diverse workforce and a culture that recognizes the work/life needs of its employees. Work/life programs and policies take many different forms, but businesses that

truly benefit from work/life programs are the ones that align their work/life strategies with their business strategies, ensuring that their primary business and productivity objectives are supported by their work/life efforts. Each year, the OCC presents awards to the Top 10 Family-Friendly Companies in Utah. Winners are those that develop creative ways to address business needs while supporting their employees' work/life needs.

The Department has been named by USDOL as a mentor agency to assist other state employment agencies in developing their demand-driven business services.

2004 Proposed Legislation

Employment Security Modifications October 31, 2003

In October 2003, the Workforce Services and Community and Economic Development Interim Committee, with the support of the Department's Employment Advisory Council, voted to support the following legislative changes:

35A-4-305. Collection on contributions – Unpaid contributions to bear interest. The purpose of this change is to increase the timely submission of wage reports by employers. This proposal modifies the filing penalty for failure to provide timely quarterly wage information, and provides a filing penalty for reimbursable employers.

- The Department of Workforce Services, as well as other government entities, relies heavily on employers, both contributory and reimbursable, to submit wage data in a timely and accurate manner.
- Collected wage data is used for determining eligibility for unemployment insurance benefits, fraud investigation and is required by the Bureau of Labor Statistics for reporting purposes.
- Approximately 1,050 employers each quarter file quarterly contribution reports but fail to submit wage data (or submit it properly). This is in addition to the approximately 4,000 employers that do nothing (neglect to file both the contribution report and fail to submit wage data).
- Utah is currently ranked below the national average for reimbursable employer report compliance. Further, Utah's penalty for failing to submit timely wage data has not changed for approximately 20 years.
- In order to meet the objective of increasing the rate of compliance, this proposal would increase the wage list penalty to a minimum of \$50 per occurrence along a graduated scale not to exceed \$250 and apply the same penalty structure to reimbursable employers that fail to file timely reports.

Employment Security Modifications Cont.

- Currently, Utah has no authority to assess reimbursable employers a penalty for filing untimely reports and reimbursable employers have significantly lower levels of compliance than contributory employers.

35A-4-309. Nonprofit organizations – Contributions – Payments in lieu of contributions.

- This section removes an archaic provision that provides reimbursable employers with an option to pay contributions in advance. In over 30 years the Department is not aware of any instances where eligible employers have elected this option.
- Further, the Department's automated systems are not currently designed to support this option.

35A-4-310. Employing units.

- This is a technical change required to comply with amendments made to 35A-4-203 last year. Further, an automated system is used to identify employers with no payroll.

35A-4-405. Ineligibility for benefits.

- Once an unemployment fraud determination is made, the current statute requires the individual to repay the amount of unemployment benefits actually received and, in addition, as a civil penalty, the amount of benefits received by direct reason of fraud. In many instances, this results in the assessment of an overpayment and penalty that appears disproportionate to the amount of monies received under fraudulent circumstances.
- As an example, an individual receiving \$250 per week in unemployment insurance benefits that commits unemployment insurance fraud by under reporting earnings by \$50, would currently owe \$300 to the Department as a combination of the overpayment and penalty.
- The proposed change essentially defines the overpayment as the amount the individual received by direct reason of fraud and would assess a penalty in the same amount. Using the example above, under the proposed change, the combination of the overpayment and penalty would total \$100.
- Moreover, this proposed change will ease administration as the overpayments and penalty amounts will be easier to calculate, and accounts receivable amounts will be reduced.

Employment Security Modifications Cont.

- Utah established approximately \$4.8 million in fraud overpayments in calendar year 2002. Historically, the Department recovers approximately 50% of the fraud overpayments that are established. It is estimated that the Department will experience an approximate \$200,000 annual reduction in collected overpayments based on 2002 data.
- The strong provisions in Utah law designed to discourage and deter unemployment insurance fraud remain intact.

78-23-10. Allowable claims against exempt property.

- A recent court decision authorizing the deduction of unemployment insurance benefits for spousal support precipitated this change. The U.S. Department of Labor has interpreted Federal law to prohibit this use of unemployment insurance benefits.

**Unemployment Insurance Benefits –
Social Security Benefits Offset
November 4, 2003**

In October 2003, the Workforce Services and Community and Economic Development Interim Committee, with the support of the Department's Employment Advisory Council, voted to support the following legislative changes:

35A-4-401. Benefits – Weekly benefit amount – Computation of benefits – Department to prescribe rules – Notification of benefits – Bonuses.

- States currently have the authority to deduct or offset Social Security from unemployment insurance (UI) benefits. Utah currently deducts 100% of Social Security entitlements from UI weekly benefit amounts.
- Approximately 20 states currently deduct some percentage of Social Security, and 15 states deduct 50%, from UI benefits. Utah is one of only five states that deduct Social Security from unemployment insurance benefits by 100%. These deductions do not apply to beneficiary or dependent Social Security recipients or to those who may be eligible for Social Security but have chosen not to receive them.
- In 2000, nearly 41,000 Utahns over the age of 62 were working and nearly 5,000 of these workers were over the age of 75.¹
- Proposed change would provide a greater safety net to Social Security recipients that have the need to continue working but become unemployed through no fault of their own.
- Individuals must still meet all other UI eligibility requirements such as actively seeking full-time work and being willing and available to accept full-time work.
- About 1,055 claimants had their weekly benefit amount offset by Social Security earnings in 2002. There were 376 claimants receiving Social Security who did not qualify for benefits because of the offset.
- On average, the weekly unemployment insurance benefit amount was \$257 and the average offset was \$202 in 2002. This means that claimants who received Social Security income were entitled to an average weekly benefit of \$55.
- In 2002, a 50% offset would have equated to \$1.6 million in benefits paid to social security recipients, or .6% of the \$252 million in total benefits paid to all claimants.
- This benefit will sunset in three years.

¹ U.S. Census Bureau

**Department of Workforce Services
Employment Support Act Amendments
November 6, 2003**

This bill will facilitate the implementation of potential changes resulting from the federal reauthorization of Temporary Assistance to Needy Families (TANF), makes technical corrections, and repeals outdated sections of the Act.

35A-3-107. Disclosure of income and property owned - Eligibility Standards.

- This section mandates that applicants “shall execute forms” to determine eligibility. DWS, Health, and Human Services are currently developing a new eligibility determination system. eREP will provide efficient and integrated eligibility-related government services to Utah’s residents in need of economic, health-related and other supportive services. eREP will have the capacity to allow customers to apply for services online.
- The language contained in this section may limit our ability to implement these types of services. Moreover, section 302 of the same chapter allows the department to establish rules for eligibility determination.
- This section also allows DWS to exclude one passenger vehicle if the Federal Government approves certain waivers or determines that the state’s waivers that permit dual eligibility for Medicaid are no longer valid. Because the department lost its waivers in 1999, and the other conditions were never been met, the passenger vehicle exemption was never implemented.

35A-3-302. Eligibility requirements.

- The Legislature determines the maximum monthly dollar amount of cash assistance families can receive based on family size.
- The department has the authority to establish rules that determine eligibility and how much cash assistance a family can receive based on their family size, income, and other relevant factors.
- The department also has the ability, under certain conditions, to disregard certain earned income or property when determining eligibility for cash assistance. Currently, the department is only able to utilize two of these disregards because of a Department of Health waiver that allows Family Employment Program participants to be automatically eligible for (or “linked” with) Medicaid.

Employment Support Act Amendments Cont.

- This proposed change would maintain DWS' ability to consider income disregards, but would allow them to be defined by rule. This is important for two reasons. First, states have new authority to more closely align food stamp, TANF and child care eligibility rules. If DWS chooses to pursue these options, it would ease administration of the programs and simplify the application process for customers. Second, it positions DWS to be able to respond quickly to changes brought about by the Federal reauthorization of Temporary Assistance to Needy Families (TANF).
- Removing the word "subsequent" would make this paragraph consistent with Federal TANF regulations.

35A-3-306. Limits on Eligibility.

- This paragraph contains a typographical error and is intended to reference 306(4)(b) and (c) instead of 306(4)(c).
- Subsection (4)(a) allows the Department to provide, on a month-to-month basis for up to 24 months, an extension beyond 36-months for families where the parent was employed for no less than 80 hours during the previous month and for at least six of the previous 24 months.
- Subsection (4)(b) allows the Department to extend up to 20% of its caseload beyond 36-months for families suffering from a hardship or domestic violence.
- Subsection (4)(c) provides for an extension beyond 60-months for families where the parent was employed for no less than 80 hours during the previous month and for at least six of the previous 24 months AND the family is suffering from a hardship or domestic violence.
- Subsection (4)(d), as it is now written, leaves out those individuals who have previously been extended because of employment, from being extended due to a hardship or domestic violence.
- The Department needs to be able to extend benefits to families beyond 60 months in the case of hardship or domestic violence regardless of whether or not the parent met the work requirements of subsection (4)(a).
- All extensions are reviewed monthly to establish continuing need.

Mission

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers and the community.

Vision

We will set the national standard of a high-quality workforce by being the employment connecting point for employers, job seekers and the community.

Constituent Concerns

The Department of Workforce Services pledges to provide excellent customer service. However, for an unresolved issue, please use the contact information listed below:

Department of Workforce Services
Customer Relations Specialists
(801) 526-4390 (Salt Lake) • 1-800-331-4341 (Statewide toll free)

Our Customer Relations Specialists handle unresolved issues regarding Employment Services and Supportive Services.

Other state government contacts for unresolved issues are:

- Child Support

Call the Department of Human Services
538-3989 (Salt Lake) • 1-800-662-3722 (Statewide)

- Child Protective Services & Foster Care

Call the Division of Child & Family Services
538-4100 (Salt Lake)

- Medicaid only

Call the Department of Health
538-6417 (Salt Lake) • 1-877-291-5583 (Statewide)

★ DWS Employment Centers

